

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA**

In re: TV-32 DIGITAL VENTURES INC.

Case No. 09-58098 ASW

**CHAPTER 11
MONTHLY OPERATING REPORT
(GENERAL BUSINESS CASE)**

SUMMARY OF FINANCIAL STATUS

MONTH ENDED: Nov-09

PETITION DATE: 09/23/09

1. Debtor in possession (or trustee) hereby submits this Monthly Operating Report on the Accrual Basis of accounting (or if checked here the Office of the U.S. Trustee or the Court has approved the Cash Basis of Accounting for the Debtor).
Dollars reported in \$1

2. Asset and Liability Structure

- a. Current Assets
- b. Total Assets
- c. Current Liabilities
- d. Total Liabilities

	End of Current Month	End of Prior Month	As of Petition Filing
	\$8,861	\$420	
a.	\$4,839,861	\$4,831,420	
b.	\$27,338	\$27,338	
c.	\$3,692,443	\$3,692,443	
d.			\$3,788,226

3. Statement of Cash Receipts & Disbursements for Month

- a. Total Receipts
- b. Total Disbursements
- c. Excess (Deficiency) of Receipts Over Disbursements (a - b)
- d. Cash Balance Beginning of Month
- e. Cash Balance End of Month (c + d)

	Current Month	Prior Month	Cumulative (Case to Date)
	\$6,061	\$7,867	\$13,928
a.	\$4,238	\$4,238	
b.	\$1,823	\$7,867	\$9,690
c.	\$0	\$7,867	\$0
d.	\$1,823		\$9,690
e.			\$9,690

4. Profit/(Loss) from the Statement of Operations

5. Account Receivables (Pre and Post Petition)

6. Post-Petition Liabilities

7. Past Due Post-Petition Account Payables (over 30 days)

	Current Month	Prior Month	Cumulative (Case to Date)
	\$0	\$0	
	\$420	\$420	
	\$27,338	\$27,338	
	\$0		

At the end of this reporting month:

- 8. Have any payments been made on pre-petition debt, other than payments in the normal course to secured creditors or lessors? (if yes, attach listing including date of payment, amount of payment and name of payee)
- 9. Have any payments been made to professionals? (if yes, attach listing including date of payment, amount of payment and name of payee)
- 10. If the answer is yes to 8 or 9, were all such payments approved by the court?
- 11. Have any payments been made to officers, insiders, shareholders, relatives? (if yes, attach listing including date of payment, amount and reason for payment, and name of payee)
- 12. Is the estate insured for replacement cost of assets and for general liability?
- 13. Are a plan and disclosure statement on file?
- 14. Was there any post-petition borrowing during this reporting period?
- 15. Check if paid: Post-petition taxes ; U.S. Trustee Quarterly Fees ; Check if filing is current for: Post-petition tax reporting and tax returns: .
(Attach explanation, if post-petition taxes or U.S. Trustee Quarterly Fees are not paid current or if post-petition tax reporting and tax return filings are not current.)

Yes	No
	X
	X
	n/a
	X
	X
	X
	X

I declare under penalty of perjury I have reviewed the above summary and attached financial statements, and after making reasonable inquiry believe these documents are correct

Date: 12/18/2009 12:00

/s/ Booker T. Wade

Responsible Individual

STATEMENT OF OPERATIONS

(General Business Case)

For the Month Ended 11/30/09

Current Month			Cumulative (Case to Date)	Next Month Forecast
Actual	Forecast	Variance		
Revenues:				
1 Gross Sales				
2 less: Sales Returns & Allowances				
3 Net Sales			\$0	\$0
4 less: Cost of Goods Sold			(Schedule 'B')	
5 Gross Profit			\$0	\$0
6 Interest				
7 Other Income:				
8				
9				
\$0	\$0	\$0	\$0	\$0
10 Total Revenues			\$0	\$0
Expenses:				
11 Compensation to Owner(s)/Officer(s)				
12 Salaries				
13 Commissions				
14 Contract Labor				
Rent/Lease:				
15 Personal Property				
16 Real Property				
17 Insurance				
18 Management Fees				
19 Depreciation				
Taxes:				
20 Employer Payroll Taxes				
21 Real Property Taxes				
22 Other Taxes				
23 Other Selling				
24 Other Administrative				
25 Interest				
26 Other Expenses:				
27				
28				
29				
30				
31				
32				
33				
34				
\$0	\$0	\$0	\$0	\$0
35 Total Expenses			\$0	\$0
\$0	\$0	\$0	\$0	\$0
36 Subtotal			\$0	\$0
Reorganization Items:				
37 Professional Fees				
38 Provisions for Rejected Executory Contracts				
39 Interest Earned on Accumulated Cash from Resulting Chp 11 Case				
40 Gain or (Loss) from Sale of Equipment				
41 U.S. Trustee Quarterly Fees				
42				
\$0	\$0	\$0	\$0	\$0
43 Total Reorganization Items			\$0	\$0
\$0	\$0	\$0	\$0	\$0
44 Net Profit (Loss) Before Federal & State Taxes			\$0	\$0
\$0	\$0	\$0		
45 Federal & State Income Taxes				
\$0	\$0	\$0	\$0	\$0
46 Net Profit (Loss)			\$0	\$0

Attach an Explanation of Variance to Statement of Operations (For variances greater than +/- 10% only):

BALANCE SHEET
(General Business Case)
For the Month Ended 11/30/09

Assets

		<u>From Schedules</u>	<u>Market Value</u>
1	Cash and cash equivalents - unrestricted		\$8,441
2	Cash and cash equivalents - restricted		
3	Accounts receivable (net)	A	\$420
4	Inventory	B	\$0
5	Prepaid expenses		
6	Professional retainers		
7	Other: _____		
8			
9	Total Current Assets		\$8,861
10	Property and Equipment (Market Value)		
11	Real property	C	\$4,730,000
12	Machinery and equipment	D	\$100,000
13	Furniture and fixtures	D	\$1,000
14	Office equipment	D	\$0
15	Leasehold improvements	D	\$0
16	Vehicles	D	\$0
17	Other: _____	D	
18		D	
19		D	
20		D	
21	Total Property and Equipment		\$4,831,000
22	Other Assets		
23	Loans to shareholders		
24	Loans to affiliates		
25	_____		
26	_____		
27	_____		
28	Total Other Assets		\$0
29	Total Assets		\$4,839,861

NOTE:

Indicate the method used to estimate the market value of assets (e.g., appraisals; familiarity with comparable market prices, etc.) and the date the value was determined.

Liabilities and Equity
(General Business Case)

Liabilities From Schedules

Post-Petition

Current Liabilities

30	Salaries and wages	
31	Payroll taxes	
32	Real and personal property taxes	
33	Income taxes	
34	Sales taxes	
35	Notes payable (short term)	
36	Accounts payable (trade)	A
37	Real property lease arrearage	\$27,338
38	Personal property lease arrearage	
39	Accrued professional fees	
40	Current portion of long-term post-petition debt (due within 12 months)	
41	Other: _____	
42	_____	
43	_____	
44	Total Current Liabilities	\$27,338

Long-Term Post-Petition Debt, Net of Current Portion

45	Total Post-Petition Liabilities	\$27,338
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Pre-Petition Liabilities (allowed amount)

47	Secured claims	F	\$3,618,704
48	Priority unsecured claims	F	\$25,035
49	General unsecured claims	F	\$21,366
50	Total Pre-Petition Liabilities		\$3,665,105
51	Total Liabilities		\$3,692,443

Equity (Deficit)

52	Retained Earnings/(Deficit) at time of filing	
53	Capital Stock	
54	Additional paid-in capital	
55	Cumulative profit/(loss) since filing of case	
56	Post-petition contributions/(distributions) or (draws)	
57	_____	
58	Market value adjustment	
59	Total Equity (Deficit)	\$0
60	Total Liabilities and Equity (Deficit)	\$3,692,443

SCHEDULES TO THE BALANCE SHEET
(General Business Case)

Schedule A
Accounts Receivable and (Net) Payable

Receivables and Payables Agings

0 -30 Days
 31-60 Days
 61-90 Days
 91+ Days
 Total accounts receivable/payable
 Allowance for doubtful accounts
 Accounts receivable (net)

<u>Accounts Receivable [Pre and Post Petition]</u>	<u>Accounts Payable [Post Petition]</u>	<u>Past Due Post Petition Debt</u>
\$420	\$27,338	
\$420	\$27,338	
<u>\$420</u>		

Schedule B
Inventory/Cost of Goods Sold

Types and Amount of Inventory(ies)

	<u>Inventory(ies) Balance at End of Month</u>	
Retail/Restaurants - Product for resale		
Distribution - Products for resale		
Manufacturer - Raw Materials		
Work-in-progress		
Finished goods		
Other - Explain		
TOTAL	\$0	

Cost of Goods Sold

Inventory Beginning of Month

Add -
 Net purchase
 Direct labor
 Manufacturing overhead
 Freight in
 Other:

Less -
 Inventory End of Month
 Shrinkage
 Personal Use

Cost of Goods Sold **\$0**

Method of Inventory Control

Do you have a functioning perpetual inventory system?

Yes No

How often do you take a complete physical inventory?

Weekly
 Monthly
 Quarterly
 Semi-annually
 Annually

Date of last physical inventory was _____

Date of next physical inventory is _____

Inventory Valuation Methods

Indicate by a checkmark method of inventory used.

Valuation methods -

FIFO cost
 LIFO cost
 Lower of cost or market
 Retail method
 Other
 Explain

Schedule C
Real Property

Description	<u>Cost</u>	<u>Market Value</u>
Office building - 1010 Corporation Way, Palo Alto	<u>\$3,750,000</u>	<u>\$4,730,000</u>
Total	<u>\$3,750,000</u>	<u>\$4,730,000</u>

Schedule D
Other Depreciable Assets

Description	<u>Cost</u>	<u>Market Value</u>
Machinery & Equipment -		
Broadcast equipment	<u>\$325,000</u>	<u>\$100,000</u>
Total	<u>\$325,000</u>	<u>\$100,000</u>
Furniture & Fixtures -		
Desks, computer, printer	<u>\$3,500</u>	<u>\$1,000</u>
Total	<u>\$3,500</u>	<u>\$1,000</u>
Office Equipment -		
Total	<u>\$0</u>	<u>\$0</u>
Leasehold Improvements -		
Total	<u>\$0</u>	<u>\$0</u>
Vehicles -		
Total	<u>\$0</u>	<u>\$0</u>

Schedule E
Aging of Post-Petition Taxes
(As of End of the Current Reporting Period)

Taxes Payable	0-30 Days	31-60 Days	61-90 Days	91+ Days	Total
Federal					
Income Tax Withholding	\$0	\$0	\$0	\$0	\$0
FICA - Employee	\$0	\$0	\$0	\$0	\$0
FICA - Employer					\$0
Unemployment (FUTA)					\$0
Income					\$0
Other (Attach List)					\$0
Total Federal Taxes	\$0	\$0	\$0	\$0	\$0
State and Local					
Income Tax Withholding					\$0
Unemployment (UT)					\$0
Disability Insurance (DI)					\$0
Empl. Training Tax (ETT)					\$0
Sales					\$0
Excise					\$0
Real property				\$24,670	\$24,670
Personal property					\$0
Income					\$0
Other (Attach List)					\$0
Total State & Local Taxes	\$0	\$0	\$0	\$24,670	\$24,670
Total Taxes	\$0	\$0	\$0	\$24,670	\$24,670

Schedule F
Pre-Petition Liabilities

List Total Claims For Each Classification -

	Claimed Amount	Allowed Amount (b)
Secured claims (a)	\$3,618,704	\$3,618,704
Priority claims other than taxes	\$365	\$365
Priority tax claims	\$24,670	\$24,670
General unsecured claims	\$21,366	\$21,366

- (a) List total amount of claims even it under secured.
- (b) Estimated amount of claim to be allowed after compromise or litigation. As an example, you are a defendant in a lawsuit alleging damage of \$10,000,000 and a proof of claim is filed in that amount. You believe that you can settle the case for a claim of \$3,000,000. For Schedule F reporting purposes you should list \$10,000,000 as the Claimed Amount and \$3,000,000 as the Allowed Amount.

Schedule G
Rental Income Information
Not applicable to General Business Cases

Schedule H
Recapitulation of Funds Held at End of Month

	Account 1	Account 2	Account 3	Account 4
Bank	Union Bank			
Account Type	Checking			
Account No.	647004010			
Account Purpose	Operating			
Balance, End of Month	\$5,941			
Total Funds on Hand for all Accounts	\$8,441			

Attach copies of the month end bank statement(s), reconciliation(s), and the check register(s) to the Monthly Operating Report.

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

Increase/(Decrease) in Cash and Cash Equivalents

For the Month Ended 11/30/09

		Actual <u>Current Month</u>	Cumulative (Case to Date)
Cash Receipts			
1	Rent/Leases Collected	\$6,061	\$13,928
2	Cash Received from Sales	_____	_____
3	Interest Received	_____	_____
4	Borrowings	_____	_____
5	Funds from Shareholders, Partners, or Other Insiders	_____	_____
6	Capital Contributions	_____	_____
7	_____	_____	_____
8	_____	_____	_____
9	_____	_____	_____
10	_____	_____	_____
11	_____	_____	_____
12	Total Cash Receipts	<u>\$6,061</u>	<u>\$13,928</u>
Cash Disbursements			
13	Payments for Inventory	_____	_____
14	Selling	_____	_____
15	Administrative	_____	_____
16	Capital Expenditures	_____	_____
17	Principal Payments on Debt	_____	_____
18	Interest Paid	_____	_____
	Rent/Lease:		
19	Personal Property	_____	_____
20	Real Property	_____	_____
	Amount Paid to Owner(s)/Officer(s)		
21	Salaries	_____	_____
22	Draws	_____	_____
23	Commissions/Royalties	_____	_____
24	Expense Reimbursements	_____	_____
25	Other	_____	_____
26	Salaries/Commissions (less employee withholding)	_____	_____
27	Management Fees	_____	_____
	Taxes:		
28	Employee Withholding	_____	_____
29	Employer Payroll Taxes	_____	_____
30	Real Property Taxes	_____	_____
31	Other Taxes	_____	_____
32	Other Cash Outflows:	_____	_____
33			
34	<u>Flood Insurance Hartford check #5009 11/24/09</u>	<u>\$4,238</u>	<u>\$4,238</u>
35			
36	<u>KMTP, a tenant, paid \$630 for cleaning services</u>	<u>_____</u>	<u>_____</u>
37			
38	Total Cash Disbursements:	<u>\$4,238</u>	<u>\$4,238</u>
39	Net Increase (Decrease) in Cash	<u>\$1,823</u>	<u>\$9,690</u>
40	Cash Balance, Beginning of Period	<u>_____</u>	<u>_____</u>
41	Cash Balance, End of Period	<u><u>\$1,823</u></u>	<u><u>\$9,690</u></u>

STATEMENT OF CASH FLOWS
 (Optional) Increase/(Decrease) in Cash and Cash Equivalents
 For the Month Ended 11/30/09

		<u>Actual</u> <u>Current Month</u>	<u>Cumulative</u> <u>(Case to Date)</u>
Cash Flows From Operating Activities			
1	Cash Received from Sales		
2	Rent/Leases Collected	\$6,061	\$13,928
3	Interest Received		
4	Cash Paid to Suppliers		
5	Cash Paid for Selling Expenses		
6	Cash Paid for Administrative Expenses		
	Cash Paid for Rents/Leases:		
7	Personal Property		
8	Real Property		
9	Cash Paid for Interest		
10	Cash Paid for Net Payroll and Benefits		
	Cash Paid to Owner(s)/Officer(s):		
11	Salaries		
12	Draws		
13	Commissions/Royalties		
14	Expense Reimbursements		
15	Other		
	Cash Paid for Taxes Paid/Deposited to Tax Acct.		
16	Employer Payroll Tax		
17	Employee Withholdings		
18	Real Property Taxes		
19	Other Taxes		
20	Cash Paid for General Expenses	\$4,238	\$4,238
21	Flood Insurance Hartford		
22			
23			
24			
25			
26			
27	Net Cash Provided (Used) by Operating Activities before Reorganization Items	\$1,823	\$9,690
Cash Flows From Reorganization Items			
28	Interest Received on Cash Accumulated Due to Chp 11 Case		
29	Professional Fees Paid for Services in Connection with Chp 11 Case		
30	U.S. Trustee Quarterly Fees		
31			
32	Net Cash Provided (Used) by Reorganization Items	\$0	\$0
33	Net Cash Provided (Used) for Operating Activities and Reorganization Items	\$1,823	\$9,690
Cash Flows From Investing Activities			
34	Capital Expenditures		
35	Proceeds from Sales of Capital Goods due to Chp 11 Case		
36			
37	Net Cash Provided (Used) by Investing Activities	\$0	\$0
Cash Flows From Financing Activities			
38	Net Borrowings (Except Insiders)		
39	Net Borrowings from Shareholders, Partners, or Other Insiders		
40	Capital Contributions		
41	Principal Payments		
42			
43	Net Cash Provided (Used) by Financing Activities	\$0	\$0
44	Net Increase (Decrease) in Cash and Cash Equivalents	\$1,823	\$9,690
45	Cash and Cash Equivalents at Beginning of Month		
46	Cash and Cash Equivalents at End of Month	\$1,823	\$9,690